

Widespread Economic Impact Analysis for Montana Facilities: City of Chinook

Draft

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1. Introduction

According to EPA's Interim Economic Guidance for Water Quality Standards (U.S. EPA, 1995), if financial tests demonstrate that pollution control expenditures would have substantial adverse economic impacts, the next step is to determine whether there would also be widespread economic impacts to the community or surrounding area. U.S. EPA (1995) does not provide specific standardized tests to determine whether impacts would be widespread; instead, it provides guidance on how to evaluate the magnitude of expected changes to indicators such as increased employment, losses to the local economy, changes in household income, decreases in tax revenues, indirect effects on other businesses, and increased sewer fees to remaining private entities. At a minimum, the analysis must define the affected community (the geographic area where project costs pass-through to the local economy), consider the baseline economic health of the community, and evaluate how the proposed project will affect the socioeconomic well-being of the community.

The Montana Department of Environmental Quality (Montana DEQ) has developed a set of descriptive and criteria questions designed to evaluate the potential for widespread impacts. Appendix A provides the full list of questions as well as guidance provided by Montana DEQ in how to collect and interpret appropriate data.

In a previous analysis,² Abt Associates determined that the City of Chinook may experience substantial economic impacts as a result of meeting applicable numeric nutrient criteria. Based on Montana DEQ's widespread test, this document provides the results of a preliminary analysis to determine whether the impacts may also be widespread. Each subsection corresponds to a question in Montana DEQ's test.

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¹ PublicEntity_Worksheet_EPACostmodel_2016.

² Analysis dated June 30, 2016.

2. Descriptive Questions

2.1 1. Definition of Geographic Area

The Chinook Wastewater Treatment Plant (WWTP) serves a population of 1,200 people in the City of Chinook (Montana DEQ, 2011). For this analysis, EPA assumed that the affected community is the City of Chinook. While the stated service population of the facility is slightly higher than the current population of the city (1,165 based on U.S. Census Bureau, 2014a), the service population is primarily within the city.

Impacts of increased wastewater rates may also affect some surrounding areas that depend on Chinook for employment, goods, and services. Chinook is the county seat of Blaine County. According to the Chinook Area Chamber of Commerce (2016a), the City is home to many attractions including museums and historical monuments. Employers located within the City and served by the WWTP may employ individuals from surrounding areas. As such, it is possible that impacts to these employers from increased wastewater fees may result in impacts to a larger geographic area than the boundaries of the City alone. However, as noted by the Chinook Area Chamber of Commerce (2016b), the City is inhabited by many people who live in Chinook and work in nearby Havre. As such, it is likely that many people live in Chinook and work outside the community (as opposed to the other way around).

2.2 2. Description of General Economic Trends

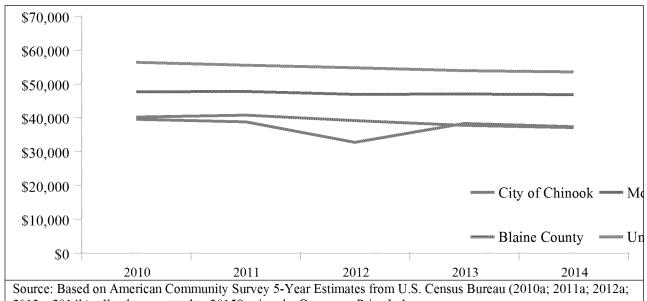
According to data from the U.S. Census Bureau's American Community Survey (ACS),³ the City of Chinook has lower MHI than the state, at \$37,344 compared with \$46,766 during the same time period (U.S. Census Bureau, 2014b). Exhibit 1 shows the MHI trends for the city and the state compared with the United States between 2010 and 2014, with all dollar values adjusted to 2015\$ using the Consumer Price Index (CPI; United States Bureau of Labor Statistics (U.S. BLS), 2016a). Over that time period, MHI in the city decreased by 5%, which represents the same rate as the nation and a steeper decline than experienced by the state (2%). Although the city's MHI declined by the same rate as the nation over the period shown, it had more variability compared with the more consistent rate experienced by the nation.

Exhibit 1. Median Household Income, 2010-2014

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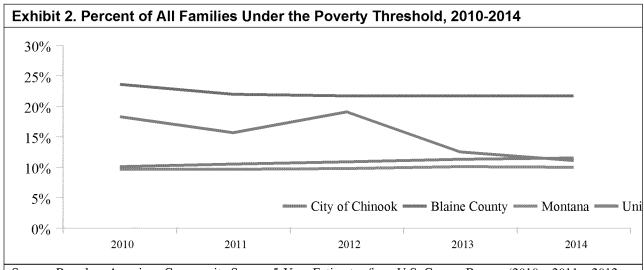
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³ For this analysis, all data from ACS represent 5-year estimates, which are available for all places and represent the most precise data available. These data are interpreted as being representative of 60 months of collected data; for example, 2014 data represents the data from January 1, 2010 and December 31, 2014. For more information, see U.S. Census Bureau (2016).



2013a; 2014b); all values restated to 2015\$ using the Consumer Price Index.

The 2014 poverty rate in Chinook (11.1%) is slightly lower than the United States (11.5%), but higher than Montana (10.0%). Blaine County's poverty rate is 21.7%, which is substantially higher than the rates of the city, state, and nation. ACS data show that, while the poverty rates for the state and the nation have increased slightly over the past five years, the city's poverty rate has declined since 2012 when the rate was 19.1%. Exhibit 2 shows these trends.



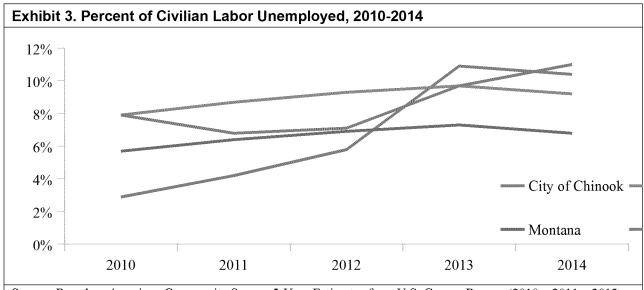
Source: Based on American Community Survey 5-Year Estimates from U.S. Census Bureau (2010a; 2011a; 2012a; 2013a; 2014b)

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⁴ Given the relatively modest increase in MHI (Exhibit 1) and the increase in unemployment (described in Exhibit 3) over the same period, it is unclear why the poverty rate has declined since 2012. Additional economic and demographic information about the community would be needed identify potential causes of this decline. For example, the median age of the population increased over the 2012-2014 reporting periods; an increased share of residents receiving retirement or social security income may result in decreased poverty rates. More information would be needed to determine whether this is a contributing factor.

The unemployment rate in Blaine County was 5.1% in June 2016 (U.S. BLS, 2016b), which is higher than the state rate of 4.2% (U.S. BLS, 2016c) and the national rate of 4.9% (U.S. BLS, 2016d). However, note that BLS data on unemployment is not available at the community level, but rather at the county level. The unemployment rate in Blaine County may not be representative of more local conditions in the City of Chinook.

ACS data shows that the long-range trend is higher variability in unemployment rates in Chinook compared with county, state, and national rates, with rates increasing more sharply since 2012 in both the city and the county. See Exhibit 3. The most recent ACS data indicates a Chinook unemployment rate of 10.4%, slightly lower than the Blaine County rate of 11% for the same time period (U.S. Census Bureau, 2014b).

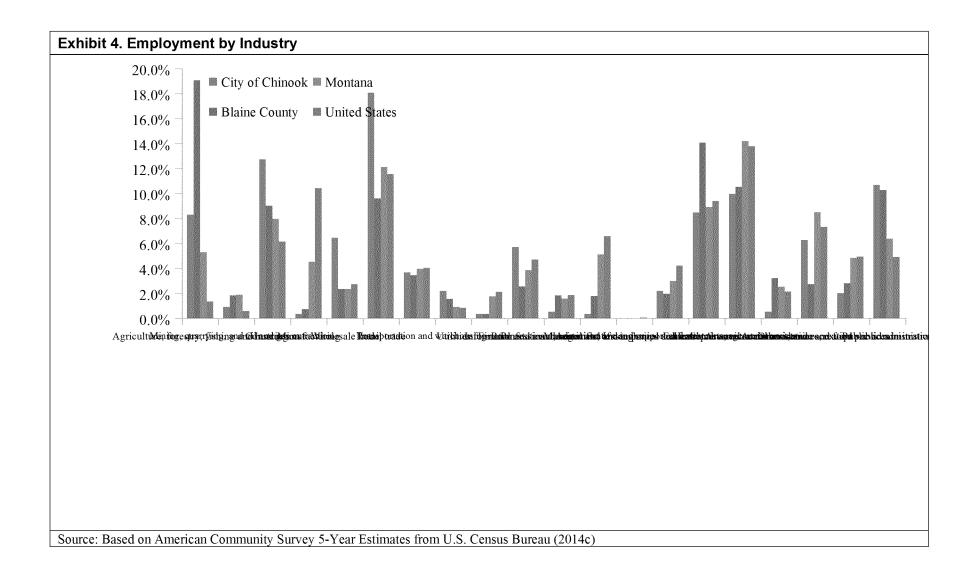


Source: Based on American Community Survey 5-Year Estimates from U.S. Census Bureau (2010a; 2011a; 2012a; 2013a; 2014b)

2.3 3. Description of Industry Status and Trends

The Census Bureau's ACS provides some information about the industries providing employment in Chinook, as well as at the county, state, and national levels, which is summarized in Exhibit 4. As shown in the exhibit, Chinook has a higher share of employment in retail (18.1%), construction (12.7%), and wholesale trade (6.5%) relative to the county, state, and national levels (which range from 9.6% to 12.1% for retail trade, from 6.2% to 9.0% for construction, and from 2.4% to 2.7% for wholesale trade). The City also relies on health care/social assistance and public administration for employment, which represent 10.0% and 10.7% of employment, respectively.

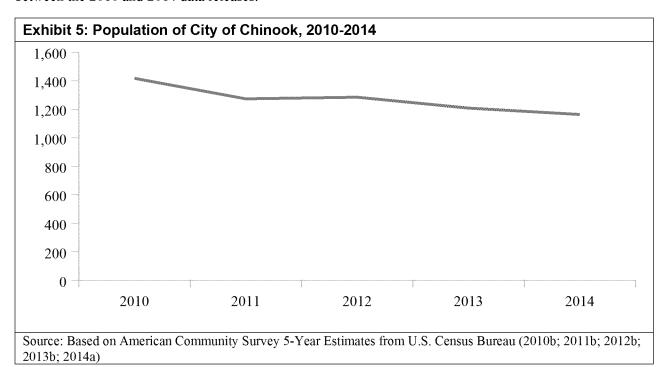
In Blaine County, agriculture, forestry, fishing, and hunting account for a large share of employment, at 19.1%. This industry also represents a relatively larger share of employment for the city, at 8.3% compared with 5.3% at the state level and 1.4% nationally. Agriculture has historically played an important role in the local economy (MEDA, 2003).



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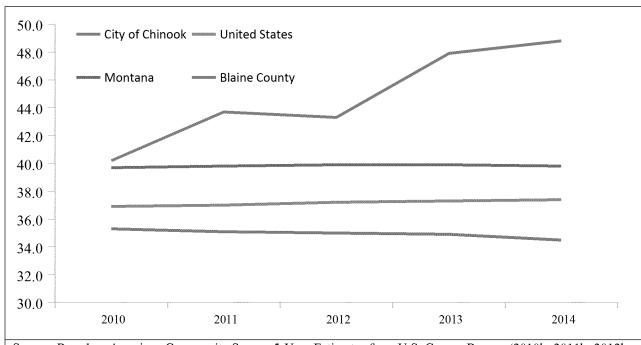
2.4 4. Description of Population Trend

According to 2014 ACS data (U.S. Census Bureau, 2014a), the City of Chinook has a population of 1,165, which reflects a decrease of 18% over the prior 5 years. Exhibit 5 shows the ACS population trend between the 2010 and 2014 data releases.



The median age in the city has increased over the same period and is higher than the state and national average. Exhibit 6 shows the median age in the city, state, and nation over the 2010 through 2014 ACS data releases. As shown in the exhibit, the median age among the local population has increased relative to the state and national median age. In the 2014 data, the median age in the city was 48.8 compared with 39.8 at the state level and 37.4 nationally. The median age in the county population in the same time period was 34.5.

Exhibit 6. Median Age of Population 2010-2014



Source: Based on American Community Survey 5-Year Estimates from U.S. Census Bureau (2010b; 2011b; 2012b; 2013b; 2014a)

The 2014 ACS reports that about 14% of adult Chinook residents have attained Bachelor's degrees or higher, compared with 29% at the state and national levels (see Exhibit 7). About 87% of Chinook residents (25 years and over) have attained a high school diploma or higher, compared with 92% at the state level and 86% at the national level (U.S. Census Bureau, 2014d).

Exhibit 7: Educational Attainment						
City of Chinook	Montana	United States				
6.6%	2.2%	5.8%				
6.5%	5.3%	7.8%				
47.5%	29.8%	28.0%				
18.8%	25.3%	21.2%				
7.1%	8.3%	7.9%				
10.1%	19.8%	18.3%				
3.4%	9.2%	11.0%				
A CONTROL OF THE PROPERTY OF T	Chinook 6.6% 6.5% 47.5% 18.8% 7.1% 10.1%	Chinook 2.2% 6.6% 2.2% 6.5% 5.3% 47.5% 29.8% 18.8% 25.3% 7.1% 8.3% 10.1% 19.8%				

3. Criteria Questions

3.1 5. General Economic Impacts

According to data on sewer revenues from user charges in 2014 (City of Chinook, 2015), the existing annual household costs are \$644, and we previously estimated that the pollution control project would increase the costs by \$415, for a total annual cost per-household of \$1,059. This represents a monthly increase of approximately \$35 per household. Total wastewater costs per household would represent 2.8% of MHI (see the substantial impacts analysis).

In the evaluation of substantial impacts, we conservatively assumed (i.e., erring on the side of overstating household impacts) that households bear 100% of baseline costs and would bear the same portion of project costs, or \$287,737. Because information about commercial and industrial contributors was not available, we assumed that such entities would not constitute a significant share of the sewer costs. However, to the extent that the project costs are shared in part by commercial and industrial wastewater users, there are two primary ways the reported household rate impact reported here may differ. First, the cost burden to households would be reduced relative to the current 100% assumption. Second, a portion of the cost burden would accrue to commercial/industrial customers, which may dis-incentivize additional business investment in the community.

The potential for the pollution control costs to impact development potential is described further under Criteria Question 7.

3.2 6. Employment Impacts

If businesses and industries relocate outside of Chinook or investment opportunities decrease as a result of the increased wastewater fees (as discussed further under Criteria Question 7), employment may be adversely impacted. However, as noted above under criteria question 1, many people who live in Chinook work in other nearby communities; as such local sewer rate changes may not have as much of an impacts as in other communities that house more local employers.

Additionally, some industries may be more likely to factor increased fees into location decisions (such as manufacturing and transportation/warehousing) compared with businesses that rely more on specific locations for income (such as agriculture, tourism, and local public administration). As described in under Criteria Question 3, Chinook's largest shares of employment are in retail trade, construction, public administration, and health care/social assistance.

Finally, as noted under Criteria Question 1, many residents of Chinook live in the community but work in Havre. As such, many employers of the local population are unlikely to be impacted by increased wastewater fees in Chinook.

3.3 7. Development Impacts

The baseline average household wastewater rates in the city are \$54 per month (see substantial impact analysis), while the average monthly wastewater rate for communities with a population between 500 and 7,500 is \$36 (Rural Community Assistance Corporation, 2014). As such, the City's existing wastewater rate is relatively higher than others within the state. Monthly rates in communities of the same size range

are lower than or comparable to Chinook's (including Townsend [\$39], Forsythe [\$41], and Virginia City [\$54]).

In the substantial impact analysis, we estimated that the monthly household cost would increase by about \$35. It is possible that the increased wastewater treatment costs may cause some decline in local residential development relative to the baseline scenario (i.e., without the additional costs). Increased wastewater rates could also result in the relocation of local businesses and industries outside of the community and reduce the city's ability to attract new investments. This impact is more likely if the city's wastewater rates become significantly higher than those in surrounding areas.

However, existing rates in surrounding communities may not be the appropriate basis for comparison to Chinook's projected wastewater fees (including the pollution control project). Municipalities statewide and nationwide increasingly have to address nutrient impairments through improvements in treatment controls. Such improvements are expected to continue throughout Montana, increasing wastewater rates for many communities (see Fraser, 2016). For example, the Montana communities of Great Falls, Butte, Stevensville, Livingston, and Whitefish have all made recent upgrades to (or plan to upgrade) their wastewater collection and treatment systems, funded through increased fees (Rowell, 2016; Smith, 2016; Backus, 2016; City of Livingston, 2016; Flathead Beacon, 2016).

If surrounding communities' rates increase in a similar magnitude to those of Chinook, the potential for adverse development impacts will be mitigated.

3.4 8. Disposable Income Impacts

Annual household wastewater expenses would increase from \$644 to \$1,059 (an increase of 64%). As noted above under Criteria Question 5, this represents an increase of approximately \$35 per month. This increase may depress local economic activity due to reduced purchasing power by affected residents. The magnitude of these impacts depends on the extent to which sewer bill increases result in reduced household expenditures on other locally produced goods and services. As described below under question 10, there is also an economic multiplier effect associated with reduced household spending, beginning with the local businesses directly affected by reduced household spending on non-wastewater goods and services.

The adverse impact to disposable income in the affected community will be exacerbated if outside contractors are used in the design and construction of the needed upgrades, since the additional wastewater revenues collected will be spent outside the community. On the other hand, if the expenditures stay in the community, adverse disposable income impacts could be offset by increased income for local workers and businesses benefitting from construction of new wastewater infrastructure.

3.5 9. Poverty Level Impacts

According to data from U.S. Census Bureau (2014b), an average of 11.1% of families in the City of Chinook had an income below the poverty level. This represents a decrease from 12.5% since the 2013 data release. If increased wastewater fees were to result in some local loss of employment and income, the poverty rate in the community may increase.

3.6 10. Multiplier Effects

To the extent that the capital investment and continuing operating and maintenance (O&M) expenditures become revenues to local businesses and employees, there is potential that the increase in user fees will actually result in a net economic benefit through a multiplier effect. Economic multipliers measure the overall effect on direct, indirect, and induced demand caused by a \$1 increase in output for a particular industrial sector. The additional utility costs to install and operate new treatment systems that are spent in the local economy directly increase demand for local goods and services. To meet the increased demand, providers of those goods and services must also increase demand for their inputs, which is an indirect demand impact if they also purchase local inputs. In addition, the revenues and incomes received by local businesses and workers can increase the demand for other local goods and services, which is induced demand because of higher business profits or worker income. The multiplier effect occurs when these direct, indirect, and induced expenditures remain in the local economy, and will be higher in the short-term during the construction phase.⁵ On the other hand, if goods and services are purchased from outside the local economy, the money 'leaks' out and the multiplier effect diminishes.

Balanced against the beneficial multiplier benefit of the expenditures on treatment are the corresponding reductions in consumer spending caused by increased sewer fees. That is, the expectation is that an additional household consumer spending requirement for wastewater means reduced spending on everything else, assuming household income does not change. The portion of Chinook households' spending that occurs locally is a key driver of the magnitude of this effect in Chinook itself. Generally speaking, consumer expenditures can have very high leakage rates because expenditures on consumer goods (e.g., groceries or hardware) and services (e.g., financial services) that are not locally produced tend to leave the local economy. If the leakage from the utility expenditures is less than the leakage from consumer expenditures, then theoretically there is a likely net economic benefit, depending on the exact leakage rates and multiplier values for each economic sector. Whether this is the case is unknown, however, because we do not have industrial multipliers specific to Chinook. Net benefits measured for larger regions (e.g., at the state level) tend to show a net economic benefit. Krop et al. (2008) report the multiplier for the water and sewer industry was 1.799 (i.e., an extra \$1 in water and sewer industry output results in a \$1.79 increase in Montana-wide output), which may be higher than the multiplier on statewide consumer expenditures. That value was based on 1997 industrial input-output relationships; current relationships likely differ, so the multiplier today will also differ. It is unlikely that Chinook has a multiplier this high, especially if the capital goods and specialty services (e.g., engineering) come from outside the community. In fact, if a large proportion of capital or O&M expenditures leak from the local economy, the multiplier could be less than 1.0.

3.7 11. Net Debt Impacts

Additional pollution controls would increase the city's annual wastewater treatment costs, from \$446,863 currently to \$734,600 (including annualized capital and recurring O&M costs).

As noted in the substantial impact analysis, the city currently has \$1.4 million in long-term debt for sewer and water systems (City of Chinook, 2015), which are typically repaid using service fee revenues. This existing debt equates to 1.7% of the full market value of taxable property.

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⁵ The multiplier effects will continue in the longer term at a decreased impact (compared with during construction), as the expenditures associated with operations and maintenance of the new treatment systems continue.

If the city is unable to finance the additional controls via grants, it would need to take on additional debt. As described in the substantial impact analysis, we estimated that the capital costs (including land) of the project would be in the range of \$3.2 million. As such, the total debt for these systems may be in the range of \$4.6 million (including the outstanding revenue bonds from 2015 and estimated project capital costs), which is 5.7% of the full market value of taxable property.

The situation could be further exacerbated if higher sewer rates depress demand for properties in the community, lowering the market value of property, which could lead to higher property tax rates or reduced services that rely on local public funding.

3.8 12. Water Quality Impacts

According to the Chinook Area Chamber of Commerce (2016b), Chinook lies at the heart of the Milk River valley, and receives many tourists traveling through on the scenic Highway 2. Additionally, as noted under Criteria Question 3, agriculture plays a central role in the economies of both Chinook and Blaine County, and this industry relies on the provision of water from the Milk River (U.S. Department of the Interior Bureau of Reclamation and State of Montana Department of Natural Resources and Conservation, 2012). As such, maintenance of high water quality is important to the preservation of the tourism and agricultural industries in the community.

3.9 13. Additional Impacts

In 2003, the Montana Economic Developers Association (MEDA)⁶ conducted an assessment of the economic status and outlook in Chinook. As noted in the report generated by the team (MEDA, 2003), the Milk River is a very important resource to the community, vital to both the tourism and agriculture industries. The MEDA team recommended that projects focused on the Milk River should be a very high priority for the community going forward, particularly with regard to further development of the tourism industry.

The report also included several additional recommendations for the city's economic development, such as development of specialty agricultural product markets and development of small local businesses to draw additional shoppers and visitation to the city (see MEDA, 2003). The MEDA assessment and report show that there are many resources available to assist communities that may be economically disadvantaged and adversely impacted by increased wastewater expenditures. On the other hand, increased wastewater expenditures may limit the city's ability to carry forward some of the MEDA recommendations.

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⁶ In partnership with the Bear Paw Development Corporation, USDA/Rural Development, Montana Department of Agriculture, Glacier Action and Involvement Now (GAIN), Beartooth RC&D, and the people of Chinook.

4. Summary and Conclusions

The City of Chinook's wastewater treatment plant serves approximately 1,200 residents. The population that would be affected by an increase in wastewater fees to fund pollution control projects constitutes the entire population of the community and its businesses. As shown in a prior analysis, the costs associated with meeting the applicable numeric nutrient criteria may result in substantial adverse impacts to the community, due to the costs and baseline economic situation in the community.

The baseline economic status of this community also provides some insight into whether the impacts of pollution control expenditures would be widespread in addition to being substantial. Based on several economic indicators, the community shows signs of being economically disadvantaged. It has a declining population and a relatively high share of older residents. Based on 5-year ACS data released between 2010 and 2014, it has a lower MHI, higher unemployment, and higher poverty rates compared with state and national rates. Additionally, the city has seen large fluctuations in these economic metrics since the 2012 data – while poverty rates decreased and MHI increased between the 2012 and 2014 data releases, unemployment increased and the population steadily decreased. Additionally, the median age of the population in the city is significantly higher than the county, state, and national rates, at 48.8 in 2014 (compared with 34.5, 39.8, and 37.4, respectively).

Local expenditures on pollution control projects will yield some local benefits. First, the project would help to protect local water quality, which benefits the locally important tourism and agriculture industries. Additionally, municipal investments in infrastructure can lead to increased economic activity. The costs associated with installing and operating new treatment systems increase demand for goods and services, which in turn increases the demand for inputs. In addition, the revenues and incomes received by local businesses and workers can increase the demand for other local goods and services, further increasing economic activities. On the other hand, increased household expenditures on wastewater fees reduce households' disposable income. The net economic effect is uncertain.

As determined in the substantial impact analysis, additional pollution controls would increase the city's annual wastewater treatment costs, from \$446,863 currently to \$734,600 (including annualized capital and recurring operations and maintenance costs). Household wastewater costs would increase from \$644 to \$1,059, an increase of approximately \$35 per month. Local business and industry would also face increased wastewater fees. These increased rates would be borne across the entire community, with every connected household and business bearing increases in wastewater expenditures. If increased wastewater fees deter potential investments in the area, employment rates, household incomes, property values, and disposable income could decrease while poverty rates and unemployment increase.

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6. Appendix A: Montana Widespread Impact Test

6.1 Descriptive Questions⁷

- 1. Geographic Area: Define the affected study area or community. This is the geographic area where direct project costs pass through to the local economy. In the case of municipal pollution control projects, the affected community is usually the immediate municipality. There are, however, exceptions where the affected community includes individuals and areas outside the immediate community. For example, if business activity of the region is concentrated in the immediate community, then outlying communities dependent upon the immediate municipality for employment, goods, and services should also be included in the Widespread analysis. Thus, the Widespread geographical area can encompass a greater area than the immediate town and/or those served by the wastewater system. It can encompass a greater area than defined in Substantial impacts.⁸
- **2. General Economic Trend**: Describe the current general economic trend in the study area or community--qualitatively or quantitatively.
- **3. Industry Status and Trends**: Name the main industry(s) in the study area and indicate if any major industries are intending to enter the area or leave the area. What is the current health of the main industry or of each significant industry if there is more than one? Is the boom and bust potential for the study area great?
- **4. Population Trend**: Indicate the general population trend in the area. Is the community growing or shrinking? If the information is available, you may consider additional population trends such as whether young people are staying in the area or leaving after they graduate school.

6.2 Criteria Questions

5. General Economic Impacts: Describe how the economy in general would be affected, if at all, by having to meet the new water quality standard. Items of discussion could include any loss in population, changes in median income, the closing (or moving to another area) of one or more businesses and industries, or the impact on community and/or commercial development potential in the study area. One can use the baseline data from the Substantial tests to support this answer as well as the answers to the

Local chamber of commerce.

o Montana Dept of Commerce's Certified Regional Development Corporations (CRDC) program. All the counties except Flathead and Richland participate in the program. For information. go to http://businessresources.mt.gov/CRDC.

o The Small Business Development Center (SBDC) can be found at http://sbdc.mt.gov/.

 The American Community Survey is conducted annually and provides long form data on an annual basis for states, counties, incorporated cities and towns, census designated places (CDPs), census tracts and block groups. For more information about the ACS, go to https://www.census.gov/programs-surveys/acs/.

o The number of businesses by industry, the number of employees and an estimated payroll is available through the County Business Patterns of the US Census Bureau available at http://www.census.gov/programs-surveys/cbp.html.

The Montana Dept of Commerce/Census and Economic Information Center, (406) 841-2740.

 Employment by sector data is available at the state and county level, not for communities. The Montana Department of Labor and Industry publishes this data.

⁷ Helpful resources:

⁸ Here are some examples. If business activity in the region is concentrated in a nearby community and not in the immediate community, then the nearby community may also be affected by loss of income in the immediate community and should be included in the analysis. Similarly, if a large number of workers commute to an industrial facility that is significantly affected by the costs, then the affected community should include the home communities of commuters as well as the immediate community.

Descriptive questions above.

- **6. Employment Impacts:** Will meeting the nutrient standards lead to a loss of employment due to a reduction in business activity or closure? Please give specific examples of what might happen?
- 7. Development Impacts: Will meeting new water quality standards have a substantial effect on residential and commercial development patterns? For example, would homes and businesses choose to locate in different areas or outside of town as a result of higher wastewater fees? In this answer, one may explore historical development patterns, financial and/or tax revenue impacts, population growth impacts, unintended impacts on water quality and any other potential consequences (good or bad).
- **8. Disposable Income Impacts**: What would be the estimated impact, if any, on disposable income of having to meet standards? If the information is available, the applicant may describe how this change in disposable income would affect the overall economy in the area under consideration.
- **9. Poverty Level Impacts**: What is the current poverty level in the affected area and what challenges to this value will occur as a result of the cost of compliance with water quality standards?
- 10. Multiplier Effects: Are there any multiplier effects from cost or benefits as a result of having to meet the new water quality standard? In other words will a dollar lost or gained as a result of the criteria result in the loss or gain of more than one dollar in the study area (e.g. direct and indirect spending)?
- 11. Net Debt Impacts: What would be the estimated change in overall net debt of the municipality as a result of having to meet numeric nutrient standards? Would towns closely approach or exceed their debt limits as a result of meeting water quality standards?
- **12. Water Quality Impacts**: Would improved water quality as a result of meeting water quality standards have any widespread positive economic and/or ecological effects on the community? Would expenditures on pollution controls to reach attainment have any positive effects on the community? See the 'Benefits of Water Quality' tab for more details.
- **13.** Additional Impacts: Is there any additional information that suggests that there are unique conditions in the affected community that should also be considered?

6.3 Summary and Conclusions

Please summarize why you believe that the costs of compliance with water quality standards creates a widespread and adverse economic impact in your community that would override the need for increased pollution control.

The main question to ask is whether widespread economic impacts are likely to occur in the study area as a result of attempting to comply with new water quality standards. The key aspect of a "widespread determination" is that it evaluates change in any socioeconomic conditions that would occur as a result of compliance (EPA 1995).

The analyst should take into account as many of the factors listed above as possible when making a decision on whether impacts are widespread. The decision should be made based on all appropriate factors in an objective manner (rather than as a checklist). The analyst will use his or her judgement on whether all the factors taken together (including some that may not be on this list) constitute widespread

impact. Likewise, applicants should not view this guidance as a check list. In all cases, socioeconomic impacts should not be evaluated incrementally; rather, their cumulative effect on the community should be assessed as a whole. Applicants should feel free to use anecdotal information to describe any current community characteristics or anticipated impacts that are not listed in the worksheet.